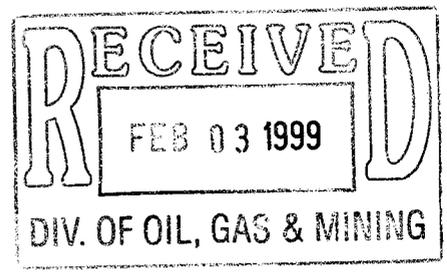




Canyon Fuel Company, LLC
Soldier Canyon Mine
P.O. Box 1029
Wellington, Utah 84542
(801)637-6360 Fax: (801) 637-0108

January 29, 1999

Mr. Daron Haddock
Permit Supervisor
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801



ACT/007/018 #7
ACT/007/039 #7
ACT/007/034 #7

RE: Fourth Quarter 1998 water monitoring report for Soldier Canyon, Dugout Canyon Mines and Banning loadout.

Dear Mr. Haddock:

As required by the Soldier Canyon and Dugout Canyon Mine permits, water monitoring was conducted during the fourth quarter of 1998. Data are attached for the sites which were visited.

If there are any further questions, please feel free to contact me at (801) 636-2890.

Sincerely,
SOLDIER CANYON MINE

Jarrod Porter

Engineers Assistant

cc: Chris Hansen, Skyline